

Forest Service

Sawtooth National Forest Minidoka Ranger District

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File Code: 2810

Date: February 9, 2004

Mr. Michael Pauletto 11204 NW 37th Court Vancouver, WA 98685

Dear Mr. Pauletto:

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DIV. OF OIL, GAS & MINING

On December 29, 2003, this office received from you two Bank of America cashier's checks for a total amount of \$20,245. These checks were deposited into a non-interest bearing U.S. Forest Service account on January 12, 2004 and will remain in the account until reclamation of the Interstate project area has been completed either by you or if you fail to complete reclamation, the U.S. Forest Service and/or its contractors. Financial personnel with the Forest Service office in Twin Falls, Idaho will receive statements regarding this account if you wish to check on the status of the account.

We contacted Darcy Luxenberg of Travelers Insurance on January 7, 2004 and informed her that since we had received money from you equal to the reclamation bond amount issued by Travelers, that we were rescinding our demand letter for surety that we had sent to Travelers on December 12, 2003.

As discussed with you on the telephone, we will need to get this site reclaimed as quickly as possible. Because of site conditions and environmental concerns, we are requesting that reclamation begin after July 1, 2004 with all earthwork (recontouring, topsoiling, ripping) of the Interstate quarry area (3 acres) and approximately 1600 linear feet of access road to the quarry completed by July 31, 2004. Reseeding disturbed areas will need to be completed in the late fall, but no later than December 1, 2004. Once the earthwork has been satisfactorily completed, the reclamation bond amount (the bulk of the bond amount) for this work will be returned to you. The amount of the bond for seeding will need to be retained in the account until criteria for revegetation success has been met which at the earliest would be the following year.

The fencing of the damaged spring area will also need to be completed by July 31, 2004. Because the fencing would be within the damaged spring and archeological site area, an archeologist may need to clear the area prior to fence construction and may also need to be onsite during the fence construction as well. Depending upon the availability of the Forest Service archeologist, a 3rd party contract archeologist may need to be used for construction of the fence. We will contact you as soon as possible if we can schedule our archeologist to complete the necessary surveys or if you will need to utilize a 3rd party contract archeologist.

We are currently preparing environmental documentation for the Bonneville Quarries, Inc. (Bown) plan of operations. Since this plan of operations would utilize portions of the road constructed by Interstate, the approval of this plan and subsequent bonding of these sections of



road by Bonneville Quarries, Inc. would also reduce the bond amount required for reclamation of the Interstate project area.

If you have any questions you may contact Steve Flock, Minerals Management Specialist, at the above address or telephone number.

Sincerely,

SCOTT C. NANNENGA Minidoka District Ranger

cc. Mr. Lynn Kunzler
Division of Oil, Gas and Mining
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1594 West North Temple
Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Mr. Jeff Gabardi Sawtooth N.F. Supervisor's Office Twin Falls, ID

Ms. Jamie Bennett Sawtooth N.F. Supervisor's Office Twin Falls, ID

Ms. Darcy Luxenberg Travelers Insurance Bank of America Tower 701 5th Avenue Suite 3850 Seattle, WA 98104